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N° 116 – July/August 2009

GENERAL INTEREST

Minxin Pei

Think Again: Asia's Rise

Foreign Policy – Article – June 22, 2009

http://www.foreignpolicy.com/articles/2009/06/22/think_again_asias_rise

“Don't believe the hype about the decline of America and the dawn of a new Asian age. It will be many decades before China, India, and the rest of the region take over the world, if they ever do.”

CBO'S Economic Forecasting Record: 2009 Update

Congressional Budget Office – Report - July 30, 2009 – 48 pages

<http://www.cbo.gov/ftpdocs/104xx/doc10484/07-30-ForecastingRecord2.pdf>

The report is an evaluation of the accuracy of its economic forecasts by comparing those forecasts with the economy's actual performance and with the projections of other forecasters. The study examines the two-year ahead forecast accuracy and the five-year ahead forecast accuracy for a variety of macroeconomic variables, such as real GDP, inflation, and interest rates. Thirty-two CBO forecasts, those made early each year from 1976 to 2007, are included in the study. Such evaluations help guide CBO's efforts to improve the quality of its forecasts and also assist Members of Congress in their use of CBO's estimates.

Stimulus at Six Months: Boom or Bust?

The Brookings Institution - Event – August 16, 2009 – 67 pages

http://www.brookings.edu/~media/Files/events/2009/0813_stimulus/20090813_stimulus.pdf

“Six months after the new administration and Congress ushered through a two-year \$787 billion stimulus plan to revive America's economy, conflicting numbers fuel arguments for both proponents and critics...On August 13, a panel of Brookings experts weighed the evidence and discussed whether the stimulus package is working, based on a broad set of criteria. Moderated by the New York Times' Jackie Calmes, the panel delved into whether the money was strategically deployed to invigorate the nation's economy, to create jobs and to advance school reform. The discussion concluded with a look at next steps.”

Mark Muro, Sarah Rahman, Amy Liu

Implementing ARRA: Innovations in Design in Metro America

The Brookings Institution – Paper - July 23, 2009 – 32 pages

http://www.brookings.edu/~media/Files/rc/reports/2009/0723_american_recovery_reinvestment_act/0723_american_recovery_reinvestment_act_brief.pdf

America does not possess a single national economy. Instead, prosperity flows from a network of 366 diverse metropolitan economies. Which is why it is hugely important that creative urban and regional leaders across a number of U.S. regions are currently working to make the most of the unprecedented resources that have been made available by the American Recovery and Reinvestment Act of 2009 (ARRA). This report first reviews the challenges that ARRA poses for would-be innovators, and probes the nature and early progress of a number of the most creative implementation efforts in metropolitan America.”

Daron Acemoglu and Melissa Dell

Productivity Differences Between and Within Countries

National Bureau of Economic Research – Report - July 2009 – 39 pages

http://www.nber.org/papers/w15155.pdf?new_window=1

The report documents substantial within-country, cross-municipality, differences in incomes for a large number of countries in the Americas. A significant fraction of the within-country differences cannot be explained by observed human capital. The authors conjecture that the sources of within-country and between-country differences are related.

James A. Kahn

Productivity Swings and Housing Prices

FRB New York - Current Issues in Economics and Finance - July 2009 – 8 pages

http://www.newyorkfed.org/research/current_issues/ci15-3.html

“The housing boom and bust of the last decade, often attributed to “bubbles” and credit market irregularities, may owe much to shifts in economic fundamentals. A resurgence in productivity that began in the mid-1990s contributed to a sense of optimism about future income that likely encouraged many consumers to pay high prices for housing. The optimism continued until 2007, when accumulating evidence of a slowdown in productivity helped dash expectations of further income growth and stifle the boom in residential real estate.”

Stephen J. Rose and Scott Winship

Ups And Downs: Does The American Economy Still Promote Upward Mobility?

Pew Economic Mobility Project - June 18, 2009 – 38 pages

http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Economic_Mobility/EMP%20Ups%20and%20Downs%20Full%20Report.pdf

According to the report, Americans experience a two- or ten-year income drop has been consistent over the last forty years. Recovery rates from those losses have also been constant; half of adults who suffer a two-year income loss of more than 25 percent recover within four years. However, half of those suffering such a drop over ten years fall permanently behind their peers and do not fully recover.

The Blue Economy: The Role of the Oceans in our Nation’s Economic Future

Senate – Committee on Commerce, Science and Transportation – Hearing – June 9, 2009

http://commerce.senate.gov/public/index.cfm?FuseAction=Hearings.Statement&Statement_ID=5661d8ff-9190-4fe7-bc1d-5feb5a69cff6

“The Blue Economy – jobs and economic opportunities that emerge from our oceans, Great Lakes, and coastal resources – generates more than 50 percent of our nation’s Gross Domestic Product and provides over 70 million jobs to Americans. Simply put, the economic health of America is undeniably linked to the riches of our oceans and coasts.”

Gary Burtless

Social Protection for the Economic Crisis: The U.S. Experience

The Brookings Institution – Paper – July 15, 2009 – 46 pages

http://www.brookings.edu/~media/Files/rc/papers/2009/0715_social_protection_burtless/0715_social_protection_burtless.pdf

“In this paper I focus on the measures Congress has taken to protect household incomes and improve the American social safety net. None of the emergency measures adopted by Congress will result in permanent changes to the U.S. system of social protection, but a couple of temporary programs represent dramatic departures from the past.”

U.S. Net International Investment Position at Yearend 2008

Bureau of Economic Analysis, U.S. Department of Commerce - June 26, 2009 – 6 pages

<http://www.bea.gov/newsreleases/international/intinv/2009/pdf/intinv08.pdf>

The U.S. net international investment position at yearend 2008 was -\$3,469.2 billion, preliminary, as the value of foreign investments in the United States continued to exceed the value of U.S. investments abroad. At yearend 2007, the U.S. net international investment position was -\$2,139.9 billion, revised. The -\$1,329.3 billion change in the U.S. net investment position from yearend 2007 to yearend 2008 resulted from (1) declines in the prices of U.S.-held foreign stocks that surpassed declines in the prices of foreign-held U.S. stocks, (2) the depreciation of most major currencies against the U.S. dollar that lowered the dollar value of U.S.-owned assets abroad, and (3) net foreign acquisitions of financial assets in the United States that exceeded net U.S. acquisitions of financial assets abroad.

FISCAL AND TAX POLICIES

Douglas W. Elmendorf

The Long-Term Budget Outlook

Committee on the Budget, United States Senate - Testimony – July 16, 2009 – 24 pages

<http://www.cbo.gov/doc.cfm?index=10455>

“My statement describes the pressures facing the federal budget over the coming decades by presenting the agency’s current projections of federal spending and revenues through 2080.”

William G. Gale and Alan J. Auerbach

An Update on the Economic and Fiscal Crises: 2009 and Beyond

The Brookings Institution – Paper – July 2009 – 49 pages

http://www.brookings.edu/~media/Files/rc/papers/2009/06_fiscal_crisis_gale/06_fiscal_crisis_gale.pdf

“This paper reviews recent economic events and their impact on U.S. fiscal performance and prospects. We highlight the historic nature of the 2009 budget outcomes, the unsustainability of plausible ten-year budget projections, and the increasingly dire long-term fiscal problem. These conditions leave federal policy makers with difficult choices. Over the next several years, as the recession ends and the economy recovers, policy makers will face a delicate balancing act between encouraging economic recovery and establishing fiscal sustainability. Even if a successful recovery ensues, however, medium-term and long-term fiscal problems have become increasingly urgent.”

The Budget, the Deficit, the Future

The Brookings Institution – Event transcript – July 8, 2009 – 86 pages

http://www.brookings.edu/~media/Files/events/2009/0708_fiscal_policy/20090708_budget_deficit.pdf

“On July 8, the Budgeting for National Priorities Project, the Center on Children and Families, and the Urban-Brookings Tax Policy Center hosted a forum on economic recovery and fiscal sustainability. Brookings Vice President and Director of Economic Studies William Gale showed how fiscal policy can help or hurt economic activity over different time horizons, examined the short-, medium-, and long-term fiscal status of the federal government, and discussed the difficult fiscal and economic balancing act that will need to occur after the economy recovers. Numerous speakers in the field offered responses and participated in a panel discussion.”

Gerald W. Scully

Fiscal Policy and Economic Recovery

National Center for Policy Analysis – Policy Analysis - June 30, 2009 – 12 pages

<http://www.ncpa.org/pub/st322>

“The Obama administration is committed to using federal spending over the next few years in hopes of turning the economy around. It will be funded by continuous, massive budget deficits. Will deficit spending bring about economic recovery? Will a return to Keynesian economic policy bring us economic prosperity?”

Gerald Prante and Patrick Fleenor

How Much Does President Obama’s Budget Redistribute Income?

Tax Foundation - June 2009 – 8 pages

<http://www.taxfoundation.org/files/sr168.pdf>

New analysis of President Obama’s Budget finds that he is targeting the nation’s highest earners for greater income redistributions. By 2012, the federal government is scheduled to be redistributing an extra \$79 billion from the top-earning 5 percent of American families, and \$71 billion of that will be paid by the top-earning 1 percent of families.

Richard H. Mattoon

Assessing the State and Local Sector—Where Will the Money Come from? A Conference Summary

FRB Chicago – Chicago Fed Letter - July 2009 – 4 pages

http://www.chicagofed.org/publications/fedletter/cfljuly2009_264b.pdf

“On May 12, 2009, the Federal Reserve Bank of Chicago, the National Association of State Budget Officers, and the National Tax Association co-sponsored a conference to examine key issues facing state and local governments, with a focus on factors that may affect their current and future revenues.”

Richard H. Mattoon

Should The Federal Government Bail Out the States? Lessons from Past Recessions

FRB Chicago – Fed Letter – August 2009 – 4 pages

http://www.chicagofed.org/publications/fedletter/cflaugust2009_265.pdf

“Like the economy in general, individual state economies are struggling in this recession. State governments face significant constraints in raising additional revenues. Most states are required to balance their budgets regardless of the economic environment. This article considers the role of the federal government in helping the states to manage their finances.”

Summary of Latest Federal Individual Income Tax Data, 1980-2007

Tax Foundation - July 30, 2009

<http://www.taxfoundation.org/publications/show/23408.html>

The data from the IRS clearly debunks the conventional Beltway rhetoric that the “rich” are not paying their fair share of taxes, says the report. The IRS data shows that in 2007, the most recent data available, the top 1 percent of taxpayers paid 40.4 percent of the total income taxes collected by the federal government. It is the highest percentage in modern history. By contrast, the top 1 percent paid 24.8 percent of the income tax burden in 1987, the year following the 1986 tax reform act.

Robert D. Atkinson

Effective Corporate Tax Reform in the Global Innovation Economy

Information Technology and Innovation Foundation - Report - July 2009 – 22 pages

http://www.itif.org/files/090723_CorpTax.pdf

“An effective corporate tax system reflects current economic realities. As such, there is a need for fundamental reform of the U.S. corporate tax system for it is based on principles that may have made sense a generation ago, but no longer do. However, while there is increasing interest in corporate tax reform, including Obama administration proposals to limit deferral of foreign source income, there is little agreement on what reform should look like. This paper seeks to inform this debate by articulating principles to guide reform and proposing recommendations based on those principles.”

Robert Carroll

The Corporate Income Tax and Workers’ Wages: New Evidence from the 50 States

Tax Foundation - August 2009 – 6 pages

<http://www.taxfoundation.org/files/sr169.pdf>

High corporate income taxes are often justified by the rhetoric that businesses, and their high-income investors, should “pay their fair share.” The report finds that states with high corporate income taxes have likely depressed their workers’ wages over the long term, while states with low corporate taxes have boosted worker productivity and real wages.

Alison Felix

Do State Corporate Income Taxes Reduce Wages?

FRB Kansas City – Economic Review – 2nd Quarter 2009 - 26 pages

<http://www.kansascityfed.org/PUBLICAT/ECONREV/pdf/09q2felix.pdf>

“Felix examines the impact of state corporate taxes on wages. She shows that corporate taxes reduce wages and that the magnitude of the negative relationship between the taxes and wages has increased over the past 30 years. She also finds that state corporate taxes have a larger negative effect on more highly educated workers.”

MONETARY POLICY

Monetary Policy Report to the Congress

Board of Governors of the Federal Reserve System - July 21, 2009 – 56 pages

http://www.house.gov/apps/list/hearing/financialsvcs_dem/mpr_final_07-20-09.pdf

House Committee on Financial Services – Hearing - July 21, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/fchr_072109.shtml

Senate – Committee on Banking, Housing, Urban Affairs – Hearing - July 22, 2009

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=2dfd73d7-e936-4902-876f-2306d03556d0

Regulatory Restructuring: Balancing the Independence of the Federal Reserve in Monetary Policy with Systemic Risk Regulation

House Committee on Financial Services – Hearing - July 22 and 24, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/hrdmp_070909.shtml

“The President recently put forth a proposal for comprehensive financial regulatory reform. This hearing will examine one aspect of that proposal -- the part that proposes to delegate to the Federal Reserve broad new powers, including the power to serve as the “systemic risk regulator,” for all large, interconnected financial firms.”

Eswar Prasad, Isaac Sorkin

Sky's the Limit? National and Global Implications of China's Reserve Accumulation

The Brookings Institution – July 22, 2009 - 15 pages

http://www.brookings.edu/~media/Files/rc/articles/2009/0721_chinas_reserve_prasad/20090721_chinas_reserve_prasad.pdf

“China recently announced that its stock of foreign exchange reserves crossed the astounding milestone of \$2 trillion in April 2009... What implications does this reserve buildup have for the Chinese economy and for the global financial system? Will the recent ramp-up in the pace of accumulation prove to be temporary? How will this come to an end, or could it go on forever? Before turning to these questions, we first analyze the sources and patterns of reserve accumulation.”

FINANCE

SEC Oversight: Current State and Agenda

House Committee on Financial Services – Hearing - July 14, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/cmhr_070709.shtml

Testimony by Mary L. Schapiro, Chairman, U.S. Securities and Exchange Commission

Joergen Oestroem Moeller

China to the Rescue: Growing Out of the Financial Crisis

Yale Global - July 28, 2009.

<http://yaleglobal.yale.edu/display.article?id=12601>

The global financial crisis is far from over even if the declines in the economic data have slowed. So the next question is how to pull the world out of its current malaise? For Professor Joergen Oerstroem Moeller the answer is clear: stimulate global demand. Unfortunately, the big drivers of demand growth in the past – primarily the US, but also Japan and Europe – each face major hurdles sufficiently large to suppose they won't be the engines of growth in the immediate future. On this analysis, Moeller recommends looking primarily to China.

Managing in the 'New Normal'

Mc Kinsey Quarterly – June 2009

In a series of three conversations, two leading strategic thinkers—UCLA professor Richard Rumelt and McKinsey director Lowell Bryan—discuss the origins of the economic crisis, the US government's response to it, and its lessons for business strategists and managers.

Management lessons from the financial crisis: A conversation with Lowell Bryan and Richard Rumelt

<http://e.mckinseyquarterly.com/130ec74211ayfousibaxfiyaaaaaatxf6e2rp4byheyaaaaa>

Weighing the US government's response to the crisis: A dialogue

<http://e.mckinseyquarterly.com/12db51ac8layfousibaxfiyqaaaaatxf6e2rp4byheyaaaaa>

Setting strategy in the new era: A conversation with Lowell Bryan and Richard Rumelt

<http://e.mckinseyquarterly.com/188eff160layfousibaxfiziaaaaaatxf6e2rp4byheyaaaaa>

Todd Keister and James McAndrews

Why Are Banks Holding So Many Excess Reserves?

FRB New York – Staff Report – July 2009 – 15 pages

http://www.newyorkfed.org/research/staff_reports/sr380.pdf

“The quantity of reserves in the U.S. banking system has risen dramatically since September 2008. Some commentators have expressed concern that this pattern indicates that the Federal Reserve’s liquidity facilities have been ineffective in promoting the flow of credit to firms and households. Others have argued that the high level of reserves will be inflationary. The authors explain, through a series of examples, why banks are currently holding so many reserves... They also argue that a large increase in bank reserves need not be inflationary, because the payment of interest on reserves allows the Federal Reserve to adjust short-term interest rates independently of the level of reserves.”

Richard J. Rosen

Competition in Mortgage Markets: The Effect of Lender Type on Loan Characteristics

FRB Chicago – Economic Perspectives – Article – 3rd Quarter 2009 – 27 pages

http://www.chicagofed.org/publications/economicperspectives/ep_3qtr2009_part1_rosen.pdf

“This article examines how competition among lenders affects mortgage loan characteristics. The author finds that, on average, banks issue safer mortgages than independent mortgage banks. Further, mortgages from banks with a branch in the local market where the property is tend to be safer than mortgages from banks without a local branch. Changes in market shares among lender types (local bank, nonlocal bank, or independent mortgage bank) that lead to higher loan risk also are associated with better borrower quality. In particular, increasing the local market share of a lender type raises loan risk and borrower quality at that lender type.”

FINANCIAL REGULATORY REFORM

Financial Regulatory Reform: A New Foundation

U.S. Department of the Treasury – Report - July 15, 2009 – 89 pages

http://www.financialstability.gov/docs/regs/FinalReport_web.pdf

“We must build a new foundation for financial regulation and supervision that is simpler and more effectively enforced, that protects consumers and investors, that rewards innovation and that is able to adapt and evolve with changes in the financial market. In the following pages, we propose reforms to meet five key objectives.”

Regulatory Perspectives on the Obama Administration’s Financial Regulatory Reform Proposals

House Committee on Financial Services – Hearing - July 22 and 24, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/fchr_072209.shtml

http://www.house.gov/apps/list/hearing/financialsvcs_dem/hrfc_072409.shtml

“The Administration’s regulatory reform proposals task the SEC and CFTC with developing a regulatory infrastructure for over-the-counter derivatives and reporting to Congress by September 30, 2009, on how the agencies will harmonize two very disparate regulatory approaches. I look forward to hearing from you today on the progress being made on these tasks, as well as areas that are proving to be sticking points in your negotiations.

SEC Chairman Schapiro, CFTC Chairman Gensler, Timothy F. Geithner, Secretary, U.S. Department of the Treasury, Ben S. Bernanke (Federal Reserve System), Sheila C. Bair (FDIC), John C. Dugan (Office of the Comptroller of the Currency), John E. Bowman (Office of Thrift Supervision); Joseph A. Smith, Jr (North Carolina Commissioner of Banks on behalf of the Conference of State Bank Supervisors)

Industry Perspectives on the Obama Administration's Financial Regulatory Reform Proposals

House Committee on Financial Services – Hearing - July 17, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/hrfc_071709.shtml

Community and Consumer Advocates' Perspectives on the Obama Administration's Financial Regulatory Reform Proposals

House Committee on Financial Services – Hearing - July 16, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/fchr_071809.shtml

Regulatory Restructuring: Safeguarding Consumer Protection and the Role of the Federal Reserve

House Committee on Financial Services – Hearing - July 16, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/hrdmp_071609.shtml

Banking Industry Perspectives on the Obama Administration's Financial Regulatory Reform Proposals

House Committee on Financial Services – Hearing - July 15, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/fchr_071509.shtml

David John

The Obama Financial Regulatory Reform Plan: Poor Policy and Missed Opportunities

The Heritage Foundation – Web Memo – July 15, 2009 - 4 pages

http://www.heritage.org/Research/Regulation/upload/wm_2545.pdf

“The recent financial regulatory reform plan issued by the Treasury Department is a detailed mixture of overreaching policy mistakes, missed chances for real reform, blanks that will be filled in later after studies, and a few good ideas.”

Establishing a Framework for Systemic Risk Regulation

Senate – Committee on Banking, Housing, Urban Affairs – Hearing - July 15, 2009

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=dabb299b-02c3-4e4b-a116-0767b04768ff

The witnesses on Panel I will be: The Honorable Sheila Bair, Chairman, Federal Deposit Insurance Corporation; The Honorable Mary Schapiro, Chairman, U.S. Securities and Exchange Commission; and The Honorable Daniel Tarullo, Member, Board of Governors of the Federal Reserve System. The witnesses on Panel II will be: Ms. Alice Rivlin, Senior Fellow, Economic Studies, Brookings Institution; Mr. Allan Meltzer, The Allan Meltzer University Professor of Political Economy, Tepper School of Business, Carnegie Mellon University; Mr. Vincent Reinhart, Resident Scholar, American Enterprise Institute; and Mr. Paul Schott Stevens, President and CEO, Investment Company Institute.

Financial Markets Regulation: Financial Crisis Highlights Need to Improve Oversight of Leverage at Financial Institutions and across System

GAO – Report - July 22, 2009 – 136 pages

<http://www.gao.gov/cgi-bin/getrpt?GAO-09-739>

“The Emergency Economic Stabilization Act directed GAO to study the role of leverage in the current financial crisis and federal oversight of leverage. GAO’s objectives were to review (1) how leveraging and deleveraging by financial institutions may have contributed to the crisis, (2) regulations adopted by federal financial regulators to limit leverage and how regulators oversee compliance with the regulations, and (3) any limitations the current crisis has revealed in regulatory approaches used to restrict leverage and regulatory proposals to address them.”

Creating a Consumer Financial Protection Agency: A Cornerstone of America’s New Economic Foundation

Senate – Committee on Banking, Housing, Urban Affairs – Hearing - July 14, 2009

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=9a56da23-60cb-4fd0-ac04-f94ead7d1859

The witness on Panel I will be: The Honorable Michael S. Barr, Assistant Secretary for Financial Institutions, U.S. Department of the Treasury. The witnesses on Panel II will be: The Honorable Richard Blumenthal, Attorney General, State of Connecticut; Mr. Edward Yingling, President & CEO, American Bankers Association; Mr. Travis Plunkett, Legislative Director, Consumer Federation of America; and Mr. Sendhil Mullainathan, Professor of Economics, Harvard University; Mr. Peter J. Wallison, Arthur F. Burns Fellow in Financial Policy Studies, American Enterprise Institute; and Mr. Sendhil Mullainathan, Professor of Economics, Harvard University.

The Proposed Consumer Financial Protection Agency: Implications for Consumers and the FTC

House Energy and Commerce Committee – Hearing - July 6, 2009

http://energycommerce.house.gov/index.php?option=com_content&view=article&id=1699:energy-and-commerce-subcommittee-hearing-on-the-proposed-consumer-financial-protection-agency-implications-for-consumers-and-the-ftc&catid=122:media-advisories&Itemid=55

The hearing will examine the Administration's proposal to create a new agency responsible for consumer protection with regard to financial products and services.

Regulating Hedge Funds and Other Private Investment Pools

Senate – Committee on Banking, Housing, Urban Affairs – Hearing - July 15, 2009

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=b4b5348b-ba91-4512-bca2-bf45b2e5fbde

The witness on Panel I will be: Mr. Andrew J. Donohue, Director of the Division of Investment Management, U.S. Securities and Exchange Commission. The witnesses on Panel II will be: Mr. Dinakar Singh, Founder and Chief Executive Officer, TPG Axon Capital; Mr. James S. Chanos, Chairman, Coalition of Private Investment Companies; Mr. Trevor R. Loy, General Partner, Flywheel Ventures; Mr. Mark B. Tresnowski, Managing Director and General Counsel, Madison Dearborn Partners, LLC; Mr. Richard Bookstaber, Financial Author; and Mr. Joseph Dear, Chief Investment Officer, California Public Employees’ Retirement System.

Regulatory Modernization: Perspectives on Insurance

Senate – Committee on Banking, Housing, Urban Affairs – Hearing - July 28, 2009

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=f998d04a-7ef1-4a53-b178-e033fdb2815b

The witnesses will be: Mr. Travis Plunkett, Legislative Director, Consumer Federation of America; Mr. Baird Webel, Specialist in Financial Economics, Congressional Research Service; Professor Hal Scott, Nomura

Professor of International Financial Systems, Harvard Law School; and Professor Martin Grace, James S. Kemper Professor of Risk Management, Department of Risk Management and Insurance, Georgia State University.

Tobias Adrian and Hyun Song Shin

The Shadow Banking System: Implications for Financial Regulation

FRB New York – Staff Report – July 2009 – 18 pages

http://www.newyorkfed.org/research/staff_reports/sr382.pdf

The current financial crisis has highlighted the growing importance of the “shadow banking system,” which grew out of the securitization of assets and the integration of banking with capital market developments. This trend has been most pronounced in the United States, but it has had a profound influence on the global financial system... In the new, post-crisis financial system, the role of securitization will likely be held in check by more stringent financial regulation and by the recognition that it is important to prevent excessive leverage and maturity mismatch, both of which can undermine financial stability.

Systemic Risk: Are Some Institutions Too Big to Fail and If So, What Should We Do About It?

House Committee on Financial Services – Hearing - July 21, 2009

http://www.house.gov/apps/list/hearing/financialsvcs_dem/fchrcars_072109.shtml

Ms. Alice M. Rivlin, Senior Fellow, Brookings Institution

Mr. Peter J. Wallison, Arthur F. Burns Fellow in Financial Policy Studies, American Enterprise Institute

Mr. Simon Johnson, Professor, Massachusetts Institute of Technology

Mr. Mark Zandi, Chief Economist, Moody’s Economy.com

Mr. Paul G. Mahoney, Dean, University of Virginia School of Law

OTHER ECONOMIC POLICIES

The U.S. as Global Competitor: What are the Elements of a National Manufacturing Strategy?

Senate – Committee on Banking, Housing, Urban Affairs – Hearing - July 17, 2009

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=5b859624-53e8-4b7c-bfe6-321070a10038

The witnesses will be: Mr. Mark Zandi, Chief Economist, Moody’s Economy.com; Mr. Leo Hindery, Jr., Managing Partner, InterMedia Partners; and Mr. Scott Paul, Executive Director, Alliance for American Manufacturing.

Kevin L. Kliesen and Douglas C. Smith

Digging into the Infrastructure Debate

FRB Saint Louis - The Regional Economist - July 2009 – 6 pages

http://stlouisfed.org/publications/re/2009/c/pdf/infrastructure_debate.pdf

“A well-functioning public infrastructure system is necessary to support rising living standards over time, but other factors are also crucial to improving these standards. Moreover, the evidence that the nation's public infrastructure has fallen into wide-spread disrepair does not appear to be overwhelming. Even if it turns out to be, ongoing and emerging structural changes in the economy may necessitate a more careful assessment of future outlays for traditional infrastructure.”

Kevin R. Kosar

Post Office and Retail Facility Closures: Overview and Issues for Congress

Congressional Research Service, Library of Congress – Report - Web posted August 2009 – 19 pages
http://assets.opencrs.com/rpts/R40719_20090723.pdf

The USPS has cited financial duress as a reason for its proposed closure of up to 64% of its 4,851 post office branches and stations. According to the USPS, the post office branches and stations under consideration for closure are located in metropolitan areas. The USPS has not indicated whether any employees would lose their positions. Most postal employees are protected from layoffs by collective bargaining agreements.

Phillip Herr

U.S. Postal Service: Restructuring Urgently Needed to Achieve Financial Viability

U.S. Government Accountability Office – Testimony - August 6, 2009 – 11 pages
<http://www.gao.gov/new.items/d09958t.pdf>

The U.S. Postal Service's (USPS) financial condition has worsened since GAO testified before this Subcommittee last January, with the recession and changing mail use causing dramatic declines in mail volume and revenues despite postal rate increases. USPS expects these declines to lead to losses and cash shortfalls even if ambitious cost-cutting is achieved.

Bruce Katz

A New Generation of Federal Housing Policy

The Brookings Institution – Remarks at the Center for Housing Policy's Learning Conference – June 29, 2009 – 9 pages
http://www.brookings.edu/~media/Files/rc/speeches/2009/0629_housing_katz/0629_housing_speech.pdf

"I am here to celebrate the awakening of the federal government from the dead and its reemergence as a positive force for change in housing policy... I believe a new architecture for national housing policy is slowly, gradually being forged—led by Secretary Donovan and his team at HUD."

Danilo Pelletiere et al.

Hitting Bottom? An Updated Analysis of Rents and the Price of Housing in 100 Metropolitan Areas

Center for Economic and Policy Research - August 2009 – 20 pages
<http://www.cepr.net/documents/publications/100city-2009-08.pdf>

The report compares home prices and annual rents across 100 metropolitan markets to evaluate the state of the housing market. The data indicates that while a bottom may be in sight, the slump in the market is likely to persist for some time. The findings also support the viability of Right-to-Rent legislation, which would allow homeowners facing foreclosure to remain in their homes as renters paying a fair market rent.

Academic Perspectives on the Future of Public Housing

House Committee on Financial Services – Hearing - July 29, 2009
http://www.house.gov/apps/list/hearing/financialsvcs_dem/hchr_072909.shtml

Witness List:

Dr. Thomas D. Boston, Professor, School of Economics, Georgia Institute of Technology
Orlando Cabrera, CEO, National Community Renaissance and Of Counsel to Nixon Peabody
Dr. James Fraser, Associate Professor, Vanderbilt University
Dr. Edward Goetz, Director, Center for Urban and Regional Affairs, University of Minnesota
Dr. Laura Harris, Assistant Professor, School of Urban Affairs and Public Policy, University of Memphis
Mr. David R. Jones, President and Chief Executive Officer, Community Service Society of New York
Dr. Mark Joseph, Assistant Professor, Case Western Reserve University
Dr. Susan Popkin, Director, Program on Neighborhoods and Youth Development, The Urban Institute

BUSINESS

Protecting Shareholders and Enhancing Public Confidence by Improving Corporate Governance Securities, Insurance, and Investment

Senate – Committee on Banking, Housing, Urban Affairs – Hearing - July 29, 2009

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=c754606c-0b95-4139-a38a-63e63b4b3fa9

The witnesses will be: Ms. Meredith B. Cross, Director of the Division of Corporation Finance, U.S. Securities and Exchange Commission; Professor John C. Coates IV, John F. Cogan, Jr. Professor of Law and Economics, Harvard Law School; Ms. Ann Yerger, Executive Director, Council of Institutional Investors; Mr. John J. Castellani, President, Business Roundtable; Professor J.W. Verret, Assistant Professor of Law, George Mason University School of Law; and Mr. Richard C. Ferlauto, Director of Corporate Governance and Pension Investment, American Federation of State, County, and Municipal Employees.

Ramifications of Auto Industry Bankruptcies

House Committee on the Judiciary – Hearing – July 21 & 22, 2009

http://judiciary.house.gov/hearings/hear_090721_1.html

http://judiciary.house.gov/hearings/hear_090722.html

“Over the course of these hearings, we are considering the wide-ranging ripple effects, and possibly unintended consequences, presented by these bankruptcies. In May, the full committee conducted a hearing that examined how various entities, such as auto dealers, tort claimants, and consumers, were affected by the bankruptcies of Chrysler and General Motors. Yesterday, we heard from a representative of the Presidential Task Force on the Auto Industry who provided the administration’s perspective. In today’s hearing, we will hear testimony from representatives of Chrysler and GM, bankruptcy experts, several auto dealers, and an injured consumer, among other witnesses.”

2009 Capital Spending Report: U.S. Capital Spending Patterns

U.S. Census Bureau – Report - August 4, 2009 – 20 pages

<http://www.census.gov/econ/aces/report/2009/capitalspendingreport2009.pdf>

Spending by all U.S. nonfarm businesses on new and used structures and equipment increased 17 percent, or nearly \$201 billion, to a total of \$1.362 trillion in 2007. This compares with an earlier cyclical peak of \$1.161 trillion in 2000.

Exploring Ways for Small Businesses to Access Capital

House Committee on Small Business – Hearing – August 4, 2009

<http://www.house.gov/smbiz/hearings/hearing-8-4-09-capital-access/hearing-witnesses-capital-access.htm>

The hearing examined the current credit conditions for Oregon small businesses. Witnesses offered testimony on expanding access to capital for entrepreneurs and spurring economic growth.

Global Trends in Venture Capital: 2009 Global Report

Deloitte - August 2009 – 38 pages

http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/tmt_2009vdsurvey.pdf

The responses of venture capitalists around the world were illuminating. While the investment community is coming to grips with the hard realities of this global recession, they remain a resilient group and even an

optimistic one. It's been a tough season for investors and entrepreneurs alike but that may have strengthened the industry, according to the report.

Commercial Real Estate: Do Rising Defaults Pose Systemic Threat?

Joint Economic Committee – Hearing - July 9, 2009

http://www.jec.senate.gov/index.cfm?FuseAction=Hearings.HearingsCalendar&ContentRecord_id=51399723-5056-8059-76da-8870d70efb74&Region_id=&Issue_id=

This hearing examines the growing financing problems faced in the commercial real estate market and potential solutions to the credit crisis in the sector. The commercial real estate market has been severely stressed by the recession with rising vacancy rates for existing office, industrial, and retail properties and falling prices in the commercial real estate market. Experts testify about the current difficulties in refinancing existing commercial real estate loans due to the reduced availability of credit and disruptions in the secondary market.

Theodore H. Moran

American Multinationals and American Economic Interests: New Dimensions to an Old Debate

The Peterson Institute – Working Paper – 22 pages – July 2009

<http://www.piie.com/publications/wp/wp09-3.pdf>

“This working paper shows that multinational corporations do not locate their operations in a zero-sum manner that favors host economies at the expense of the home economy. The two-way flow of inward and outward investment does not create an outcome that can be reasonably characterized as “hollowing out” the home economy. The evidence consistently shows that the expansion of MNC operations abroad and the strengthening of MNC operations in the home country are complementary, and the answer to the counterfactual—would the home country be better off, or would workers in the home country be better off, if home-country MNCs were prevented from engaging in outward investment?—is indisputably negative.”

The Small Business Economy: A Report to the President

U.S. Small Business Administration Report - July 2009 – 160 pages

http://www.sba.gov/advo/research/sb_econ2009.pdf

The 2009 edition documents the 2008 recession's effects on small business as well as their role in the 2008 economy. The report includes chapters focusing on the state of small business with brief subsections on small business challenges such as health care and globalization, as well as contributions in job creation and innovation and financing.

High-Tech Immigrant Entrepreneurship in the United States

Office of Advocacy, Small Business Administration - July 16, 2009 – 84 pages

<http://www.sba.gov/advo/research/rs349tot.pdf>

Sixteen percent of high-impact, high-tech firms have at least one immigrant founder, according to the study. Although these firms are concentrated in states with large immigrant populations, in most other respects they resemble high-impact, high-tech firms founded by native-born entrepreneurs.

The Anatomy of an Entrepreneur

Ewing Marion Kauffman Foundation - Study – July 2009 – 24 pages

http://www.kauffman.org/uploadedFiles/ResearchAndPolicy/TheStudyOfEntrepreneurship/Anatomy%20of%20Entre%20071309_FINAL.pdf

“Although entrepreneurs provide the majority of jobs in the United States, little is known about what makes them tick. The Anatomy of an Entrepreneur, a newly released study from the Ewing Marion Kauffman Foundation, fills in some gaps by providing insights into high-growth founders' motivations and their socio-economic, educational and familial backgrounds. The findings: Most founders came from middle-class or upper-lower-class backgrounds, are well-educated and married with children.”

Sheldon Kimmel

Why Prices Rise Faster Than They Fall

Antitrust Division, U.S. Department of Justice - July 2009 – 15 pages

<http://www.usdoj.gov/atr/public/eag/248396.pdf>

For decades the fact that input price hikes are passed on faster than input price cuts was thought to be well explained by the assumption that competitive firms fully pass on all input price changes, so they can't price asymmetrically, so asymmetric pricing behavior is limited to oligopolies, firms that do all sorts of bizarre things, says the report. The report strives to solve the issue.

SCIENCE

Scientific Achievements Less Prominent Than a Decade Ago - Public Praises Science; Scientists Fault Public, Media

Pew Research Center /American Association for the Advancement of Science – Report – July 9, 2009 – 100 pages

<http://people-press.org/report/528/>

“Americans like science. Overwhelming majorities say that science has had a positive effect on society and that science has made life easier for most people. Most also say that government investments in science, as well as engineering and technology, pay off in the long run. And scientists are very highly rated compared with members of other professions... However, the public has a far less positive view of the global standing of U.S. science than do scientists themselves.”

TRANSPORTATION

Freight Transportation in America: Options for Improving the National Network

Senate – Committee on Commerce, Science and Transportation – Hearing – June 18, 2009

http://commerce.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=0741ff0e-b67f-43eb-957c-a2f5cf387587

“As we move forward to reauthorize our nation's federal surface transportation programs, I believe that the Senate Commerce Committee must develop a national freight transportation strategy that does more to target federal investments toward projects designed to improve competitiveness by eliminating chokepoints and increasing efficiency. This is lacking at the federal level and we need this important guidance to prepare our freight network for the future.”

Richard Hillestad et al

Modernizing the U.S. Freight-Transportation System for Future Economic Growth

RAND Corporation - July 28, 2009 -3 pages

http://www.rand.org/pubs/research_briefs/2009/RAND_RB9457-1.pdf

The report describes approaches to modernizing the U.S. freight-transportation system that require whole-system modeling, engagement of all stakeholders, and an understanding of the interdependence between local and national costs and benefits.

High-Speed Passenger Rail: How Fast Will It Get Here?"

Senate – Committee on Commerce, Science and Transportation – Hearing – June 23, 2009

http://commerce.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=648ade58-c0fa-43db-82b3-9e71eefa9259

“An efficient national passenger rail system is a crucial element of the American transportation system.”

Highway and Transit Investment Needs

House Committee on Ways and Means – Hearing – June 25, 2009

<http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=685>

“Our economy and livelihood depend on an efficient and effective transportation system. We need to make sure that we are developing a federal transportation policy that addresses congestion, safety, smart growth, and other issues and challenges. For the United States to remain competitive in the global economy, investment in our national transportation network must continue,” said Select Revenue Measures Subcommittee Chairman Neal. “A comprehensive infrastructure strategy addressing highways, bridges, transit, and rail is critical to our success and prosperity in the 21st Century. This hearing will identify the current needs of our transportation system and discuss future federal investment opportunities.”

AGRICULTURE

Nora Brooks et al.

The U.S. Food Import Patterns, 1998-2007

U.S. Department of Agriculture – Economic Research Service - August 6, 2009 – 52 pages

<http://www.ers.usda.gov/Publications/FAU/2009/08Aug/FAU125/FAU125.pdf>

Using import data from the U.S. Census Bureau, this study examines patterns of U.S. food imports for fiscal years 1998-2007. Results indicate faster import growth trends for consumer-ready foods, such as fruit, vegetables, meats, seafood, and processed food products. Although the United States imported most bulk food commodities and perishable consumer-ready products, such as fruit and vegetables, from neighboring countries in the Western Hemisphere, it imported processed foods, spices, and other tropical products from more global sources, with rising import shares for many countries in Asia.

Retail Food Prices Grew Faster Than the Prices Farmers Received for Agricultural Commodities, but Economic Research Has Not Established That Concentration Has Affected These Trends.

GAO - June 30, 2009 – 42 pages

<http://www.gao.gov/new.items/d09746r.pdf>

“Over the past 25 years, farmers have received a decreasing share of the consumer food dollar. Some analysts and farm interest groups are concerned that this decline can be attributed, in part, to increasing concentration in agriculture.”

William Liefert and Suresh Persaud

The Transmission of Exchange Rate Changes to Agricultural Prices

U.S. Department of Agriculture – Economic Research Service - July 2009 – 33 pages

<http://www.ers.usda.gov/Publications/ERR76/ERR76.pdf>

Movements in countries’ exchange rates can substantially change the prices of goods faced by producers and consumers and thereby affect incentives to produce, consume, and trade goods. Exchange rate changes,

however, might not be completely transmitted to domestic prices. The data shows that price and exchange rate transmission for agricultural products is low in most developing economies, partly because of trade policies but also because of inadequate infrastructure and other market deficiencies.

Michael Ollinger and Danna Moore

The Interplay of Regulation and Market Incentives in Providing Food Safety

U.S. Department of Agriculture – Report - July 2009 – 52 pages

<http://www.ers.usda.gov/Publications/ERR75/ERR75.pdf>

The report examines the impact of process regulations mandated under the Pathogen Reduction/Hazard Analysis and Critical Control Point (PR/HACCP) rule by the Food Safety and Inspection Service of USDA on food safety process control. The current level of food safety found in U.S. meat and poultry food products is a result of process and performance regulations and management-determined actions brought about by market incentives. Processing regulations include sanitation and other tasks related to food safety; management-determined actions include capital investment and other actions independent of process regulations, but possibly driven by performance standards.

Gale and Jean C. Buzby

Imports from China and Food Safety Issues

Economic Research Service, U.S. Department of Agriculture - July 6, 2009 – 37 pages

<http://www.ers.usda.gov/Publications/EIB52/EIB52.pdf>

The U.S. Food and Drug Administration's (FDA) increased attention to food imports from China is an indicator of safety concerns as imported food becomes more common in the United States. U.S. food imports from China more than tripled in value between 2001 and 2008. Addressing safety risks associated with these imports is difficult because of the vast array of products from China, China's weak enforcement of food safety standards, its heavy use of agricultural chemicals, and its considerable environmental pollution.

Adoption of Genetically Engineered Crops in the U.S.

Economic Research Service, U.S. Department of Agriculture - July 1, 2009

<http://www.ers.usda.gov/Data/BiotechCrops/>

U.S. farmers have adopted genetically engineered (GE) crops widely since their introduction in 1996, notwithstanding uncertainty about consumer acceptance and economic and environmental impacts. Soybeans and cotton genetically engineered with herbicide-tolerant traits have been the most widely and rapidly adopted GE crops in the U.S., followed by insect-resistant cotton and corn. The data summarizes the extent of adoption of herbicide-tolerant and insect-resistant crops since their introduction in 1996.

EMPLOYMENT

John Schmitt and Nathan Lane

An International Comparison of Small Business Employment

Center for Economic and Policy Research - August 2009 – 14 pages

<http://www.cepr.net/documents/publications/small-business-2009-08.pdf>

Contrary to popular perceptions, the United States has a much smaller small-business sector, as a share of total employment, than other countries at a comparable level of economic development, according to the report. The authors observe that the undersized U.S. small business sector is consistent with the view that high health care costs discourage small business formation, since start-ups in other countries can tap into government-funded health care systems.

Preparing the Workers of Today for the Jobs of Tomorrow

White House Council of Economic Advisers - July 2009 – 30 pages

<http://www.whitehouse.gov/asset.aspx?AssetId=2205>

In this report, the President's Council of Economic Advisers (CEA) presents a projection of potential developments in the U.S. labor market over the next five to ten years and discusses the preparations necessary to develop the 21st century workforce.

James Sherk and Rea S. Hederman, Jr.

Obama's Plan to "Create or Save" Jobs: A Promise Unfulfilled

The Heritage Foundation – Backgrounder – August 6, 2009 – 6 pages

http://www.heritage.org/Research/Economy/upload/bg_2305.pdf

“Job losses will slow and unemployment will stabilize at some point in the business cycle--the economy will not continue to lose hundreds of thousands of jobs a month indefinitely. For the Obama Administration to claim credit for creating and saving jobs, the labor market should have already started to show signs of real improvement. This has not happened. Since President Obama signed the stimulus bill, job creation has hit new lows and the total number of hours that employees work has continued to fall. The data do not support the President's claim that the stimulus has "created or saved" jobs.”

Edward S. Knotek II and Stephen Terry

How Will Unemployment Fare Following the Recession?

FRB Kansas City - Economic Review - Third Quarter 2009 – August 2009 – 29 pages

<http://www.kansascityfed.org/PUBLICAT/ECONREV/pdf/09q3knotek.pdf>

The authors' analysis suggests that recent trends in labor markets, combined with the presence of a banking crisis in the current recession, raise the likelihood that unemployment will recover much more slowly from this recession than past episodes of severe recession may suggest. Moreover, such a slow recovery has the potential to raise important questions for policymakers, including the level of unemployment consistent with their goals.”

Effects of Changes to the Health Insurance System on Labor Markets

CBO - Economic and Budget Issue Brief – July 13, 2009 – 8 pages

<http://www.cbo.gov/ftpdocs/104xx/doc10435/07-13-HealthCareAndLaborMarkets.pdf>

In the United States, health insurance coverage is linked to employment in ways that can affect both wages and the demand for certain types of workers. That close linkage can also affect people's decisions to enter the labor force, to work fewer or more hours, to retire, and even to work in one particular job or another. Changes to the health insurance system could affect labor markets by changing the cost of insurance offered through the workplace and by providing new options for obtaining coverage outside the workplace... The overall impact on labor markets, however, is difficult to predict.”

Ann O'Leary

Making Government Work for Families - The Federal Government's Role as Employer and Contractor in Improving Family-Friendly Policies

American Center for Progress – Report – July 20, 2009 - 41 pages

http://www.americanprogress.org/issues/2009/07/making_government_work.html

“With the dramatic growth in government contracting and the type of work changing from production to services, existing laws that protect against inequitable pay and set prevailing wages and benefits have failed to

fully assist workers in meeting the dual demands of work and family responsibilities. This report recommends how to fully enforce existing laws and encourages the government to consider new ways of rewarding contractors who offer family-friendly benefits at least as good as those offered by the federal government to its own workers.”

Algernon Austin

Unequal Unemployment: Racial Disparities in Unemployment Vary Widely by State

Economic Policy Institute - Issue Brief - July 15, 2009 – 4 pages

http://epi.3cdn.net/63e4d3a687f38a0312_r8m6bxs86.pdf

The United States is suffering its most severe economic crisis in decades. This economic hardship is not shared equally, however, and unemployment rates in many states are far worse than the national figures would suggest, according to the study. Furthermore, the differences between states mask sometimes greater gaps within them, gaps defined by wide, sometimes growing disparities in unemployment rates by race and ethnicity.

Down from the Mountains: Skill Upgrading and the Wages in Appalachia.

Institute for the Study of Labor - June 2009 – 65 pages

<http://ftp.iza.org/dp4249.pdf>

Despite evidence that skilled labor is increasingly concentrated in cities, whether regional wage inequality is predominantly due to differences in skill levels or returns is unknown. The report compares Appalachia to other parts of the U.S., and finds that gaps in both skill levels and returns account for the lack of high wage male workers. For women, skill shortages are important across the distribution. Because rural wage gaps are insignificant, the results suggest that widening wage inequality between Appalachia and the rest of the U.S. owes to a shortage of skilled cities.

SOCIAL SECURITY - PENSIONS

CBO's Long-Term Projections for Social Security: 2009 Update

Congressional Budget Office - August 2009 – 44 pages

http://www.cbo.gov/ftpdocs/104xx/doc10457/08-07-SocialSecurity_Update.pdf

According to the update, without changes in law, CBO expects that the Social Security trust funds will be exhausted in 2043. If that point is reached, the Social Security Administration will not have the legal authority to pay full benefits and the amounts that could be paid would be about 17 percent less than those scheduled under current law.

Alicia H. Munnell

Should Social Security Rely Solely on the Payroll Tax?

Center for Retirement Research at Boston College - August 2009 – 7 pages

http://crr.bc.edu/images/stories/Briefs/ib_9-16.pdf

It's no secret that Social Security is facing a long-term financing shortfall. This problem can be solved only by putting more money into the system and/or by cutting benefits, according to the author. The author explores whether the entire financing of the Social Security system should rest on the payroll tax. The payroll tax may be a perfectly reasonable way for current workers to pay for their benefits. But is it the right tax to finance the costs left over from paying benefits far in excess of contributions to early generations?

Anthony Webb

Should You Carry a Mortgage into Retirement?

Center for Retirement Research at Boston College - July 2009 – 6 pages

http://crr.bc.edu/images/stories/Briefs/ib_9-15.pdf

Although it remains the goal of many households to repay their mortgage by retirement, an increasing proportion now enters retirement with a mortgage. At the same time, households are increasingly likely to hold substantial amounts of financial assets, as a result of the growth of 401(k) and similar plans. Among households aged 60 to 69 in 2007, 41 percent had a mortgage. Of these, 51 percent had sufficient assets to repay their mortgage. These households could, if they wanted, be mortgage-free simply by selling some of their investments and mailing a check to the lender.

Christian E. Weller

Taken for a Ride: Greater Risk Exposure Threatens Retirees' Income Security

Center for American Progress- Report - July 1, 2009 – 29 pages

http://www.americanprogress.org/issues/2009/07/pdf/risk_matters.pdf

“The recent economic and financial crisis led to a massive loss of household wealth in the United States. The onslaught of declining house and stock prices and rising unemployment will likely leave many retirees in much worse financial shape than previous generations of retirees. Individuals are increasingly exposed to market, idiosyncratic, longevity, and labor market risks—and reducing exposure to all of these is a tall order.”

HEALTH CARE ECONOMIC ISSUES

Medical Debt – Is Our Health-Care System Bankrupting Americans?

House Committee on the Judiciary – Hearing – July 28, 2009

http://judiciary.house.gov/hearings/hear_090728.html

Witnesses:

Elizabeth Edwards, Senior Fellow, Center for American Progress

Steffie Woolhandler, Professor of Medicine, Harvard Medical School

Aparna Mathur, Research Fellow, American Enterprise Institute for Public Policy Research

John A. E. Pottow, Professor of Law, University of Michigan Law School

The Economic Case for Health Care Reform

Council of Economic Advisers, Executive Office of the President, June 2009

http://www.whitehouse.gov/assets/documents/CEA_Health_Care_Report.pdf

The Council of Economic Advisers (CEA) has undertaken a comprehensive analysis of the economic impacts of health care reform. The report provides an overview of current economic impacts of health care in the United States and a forecast of where the U.S. are headed in the absence of reform; an analysis of inefficiencies and market failures in the current health care system; a discussion of the key components of health care reform; and an analysis of the economic effects of slowing health care cost growth and expanding coverage.

Robert A. Berenson et al.

How We Can Pay for Health Reform

Urban Institute - July 29, 2009 – 33 pages

http://www.urban.org/UploadedPDF/411932_howwecanpay.pdf

In the paper, the authors discuss alternative ways that health reform could be financed. They analyze different options including several proposals for delivery system reforms and for reduction in Medicare and Medicaid

payments. They estimate the cost savings that could occur due to the introduction of a public plan option. Finally, they explore a range of revenue options. The key message of the paper is that health reform can be paid for, but it is best to obtain funds from a large number of measures to spread the burden broadly.

David M. Cutler, Judy Feder

Financing Health Care Reform - A Plan to Ensure the Cost of Reform Is Budget-Neutral

American Center for Progress – Report – June 2009 – 17 pages

http://www.americanprogress.org/issues/2009/06/pdf/financing_health_reform.pdf

“Increasing coverage and saving money requires a complex combination of short- and long-run policies. In this paper, we lay out a set of policies that focus particularly on how the medical care system can be modernized so that it costs less and delivers more in terms of quality care. Alongside these policy proposals, we present options for guaranteeing the budget neutrality of health care reform through a series of “failsafe” policy proposals that could be implemented as needed.”

Joseph Antos

The Case for Real Health Care Reform

American Enterprise Institute for Public Policy Research - June 23, 2009 – 17 pages

<http://www.aei.org/docLib/20090623-Antos.pdf>

“A market-based health reform is no panacea and will not produce an instant cure for the many problems facing the health system. Neither will a highly regulatory approach to reform. We should strengthen effective competition that rewards initiative, a system that does not protect poor business decisions with unearned taxpayer dollars. We should provide help where it is most needed, and give consumers (and their doctors) the tools to make good decisions about their insurance and their medical care.”

America's Affordable Health Choices Act

House, July 14, 2009

http://energycommerce.house.gov/index.php?option=com_content&view=article&id=1687:health-care-reform&catid=169:legislation&Itemid=55

“On July 14, 2009, House Democratic leaders introduced the America's Affordable Health Choice Act of 2009. The three panels with jurisdiction over health policy in the House have been working together as one committee to develop a single bill that fulfills President Obama's goals of reducing health care costs, protecting and increasing consumers' choices, and guaranteeing access to quality, affordable health care for all Americans.”

Cost Estimate for H.R. 3200, America's Affordable Health Choices Act of 2009

C.B.O. - July 17, 2009 – 17 pages

<http://www.cbo.gov/ftpdocs/104xx/doc10464/hr3200.pdf>

The Congressional Budget Office (CBO) and the staff of the Joint Committee on Taxation (JCT) have completed a preliminary analysis of H.R. 3200, the America's Affordable Health Choices Act of 2009, as introduced on July 14, 2009. This analysis does not reflect any modifications or amendments made after that date.

Linda J. Blumberg and John Holahan

Beyond the \$1.6 Trillion Sticker Shock

Urban Institute - July 21, 2009 – 2 pages

http://www.urban.org/UploadedPDF/411923_beyond_sticker_shock.pdf

Recently, the Congressional Budget Office (CBO) estimated that the Senate Finance Committee's health reform plan would cost \$1.6 trillion over 10 years. The estimate left many in Washington and around the country with sticker shock. Authors Linda Blumberg and John Holahan place the estimate in context by showing that the costs of health reform are less than 1 percent of estimated GDP and a small fraction of expected health care spending for that period as well. They also contend that the costs associated with inaction are at least as big as those of directly addressing the problems we currently face.

John Sheils and Randy Haught

Analysis of the July Draft of the American Affordable Health Choices Act of 2009

Heritage Foundation - July 23, 2009 – 20 pages

<http://www.heritage.org/Research/HealthCare/upload/HouseBillHeritageRevised.pdf>

The analysis examines the impact the House health reform bill would have on private insurance when a government-run health plan is introduced in the marketplace. It finds that 88.1 million Americans could be transitioned out of their current plan as employers opt out of continuing their existing coverage. These Americans would lose the employer coverage they now have. The study also found that nationwide 103.9 million Americans would end up on the new government-run public plan.

The Economic Effects of Health Care Reform on Small Businesses and their Employees

Council of Economic Advisers – Report - July 25, 2009 – 20 pages

<http://www.whitehouse.gov/assets/documents/CEA-smallbusiness-july24.pdf>

“Small businesses play an important role in the U.S. economy and are a strong driver of job growth and innovation. But small businesses are severely disadvantaged by the current U.S. health care system relative to their larger counterparts. A new report by the Council of Economic Advisers examines the challenges faced by smaller firms under the current health care system, and the likely impacts of health care reform on small businesses and the workers they employ.”

Josh Bivens

Seeing the Big Picture on Health Reform and Cost Containment

Economic Policy Institute - July 27, 2009

http://www.epi.org/analysis_and_opinion/entry/seeing_the_big_picture_on_health_reform_and_cost_containment/

According to the author, reducing the growth rate of health care costs, will require a number of very specific policy interventions. Evidence from the international peers, U.S. domestic experience with publicly-financed versus private insurance, and simulations about the likely effects of future reform all back up the current reform proposals. He believes that President Obama understands the situation well.

Cathy Schoen et al.

Fork in the Road: Alternative Paths to a High Performance U.S. Health System

Commonwealth Fund - June 24, 2009 – 57 pages

<http://www.commonwealthfund.org/Content/Publications/Fund-Reports/2009/Jun/Fork-in-the-Road.aspx>

A comprehensive approach to health insurance, provider payment, and care delivery system reforms has the potential to slow health care cost increases while achieving near-universal coverage, according to the report. The potential savings for families, businesses, and the federal government vary markedly, however, depending on whether or not a public insurance plan option is included and how such a plan is structured.

TRADE – DEVELOPMENT

Recent Trends in U.S. Services Trade: 2009 Annual Report

U.S. International Trade Commission – Report - July 6, 2009 – 132 pages

<http://www.usitc.gov/publications/332/pub4084.pdf>

U.S. service firms led the world in global services trade in 2007, according to the report. The United States remains the world's largest services market and also the world's leading exporter and importer of services. The report focuses primarily on professional services and includes separate chapters on advertising, education, healthcare, and legal services that analyze global competitive conditions in the industry, examine recent trade performance, and summarize efforts to remove sectoral trade impediments.

International Trade: Four Free Trade Agreements GAO Reviewed Have Resulted in Commercial Benefits, but Challenges on Labor and Environment Remain

GAO – Report - July 10, 2009 – 154 pages

<http://www.gao.gov/cgi-bin/getrpt?GAO-09-439>

“Since 2001, Congress has approved free trade agreements (FTA) with 14 countries. Most were negotiated under Trade Promotion Authority (TPA), which aims to lower trade barriers while strengthening the capacity of trading partners to promote respect for workers’ rights and to protect the environment... GAO was asked to assess progress through FTAs in (1) advancing U.S. economic and commercial interests, (2) strengthening labor laws and enforcement in partner nations, and (3) strengthening partners’ capacity to improve and enforce their environmental laws. GAO focused on Jordan, Chile, Singapore, and Morocco, chosen because of their economic, social, and geographic diversity and relatively older FTAs.”

Chad P. Bown

Protectionism Continues its Climb

The Brookings Institution/Brandeis University – Article – July 23, 2009

http://www.brookings.edu/articles/2009/0723_protectionism_bown.aspx

“Chad P. Bown finds that although the G-20 committed to reducing trade protectionism and barriers following the start of the financial crisis, almost all of them have turned to trade “remedy” policy instruments in response to domestic industry demands for protection from import competition. New data and a study, produced by Bown, show that the first half of 2009 had a 30.5 percent increase in the imposition of new import-restricting measures, as compared to the same time period in 2008.”

Ed Gresser

Toward a New Trade Agenda

The New Democratic Leadership Council – Report - July 2009 - 16 pages

<http://www.dlc.org/documents/MoreGrowthLessGridlock.pdf>

“Trade policy has made little progress over the last decade. Since 2000, the U.S. has reached no major multilateral trade agreement and has left its own trade regime static. The WTO’s Doha Round has been stalled for years, and in the Bush era trade debates devolved into a series of emotional arguments over a free-trade agreement program that touches only a small fraction of America’s trade and has had little impact on growth, employment or national security. President Obama has a chance for a fresh start.”

Finding the Balance: Shared Border of the Future

U.S. Chamber of Commerce & the Canadian Chamber of Commerce - July 21, 2009 – 32 pages

http://www.uschamber.com/NR/rdonlyres/evlsrujxbtkzuprf3tjl43e462a373cqerpd2j3e3ca4gygnip3v3h6dtwsu4zhhfgozha4pru5jxbhtrxdizcq4f/0907_sharedborder.pdf

The U.S. Chamber of Commerce and the Canadian Chamber of Commerce, in partnership with 47 business associations from both sides of the border, today issued a joint report. It offers specific recommendations to reduce border costs in the short-term while increasing security at the border and competitiveness of all industries.

U.S.-AFRICA ECONOMIC RELATIONS

U.S.-African Trade Profile

International Trade Administration - 2009 – 17 pages

http://www.agoa.gov/resources/US_African_Trade_Profile_2009.pdf

U.S. total trade with Sub-Saharan Africa (exports plus imports) increased 28.0 percent in 2008, as both exports and imports grew. U.S. exports increased by 29.2 percent to \$18.5 billion, driven by growth in several sectors including: machinery, vehicles and parts, wheat, non-crude oil, aircraft, and electrical machinery (including telecommunications equipment). U.S. imports in 2008 increased by 27.8 percent to \$86.1 billion. As has been the case throughout 2008, this growth continues to be due to a significant increase of 31.9 percent in crude oil imports (accounting for 79.5 percent of total imports from Sub-Saharan Africa).

U.S. - Africa Trade Relations: Creating a Platform for Economic Growth

House Subcommittee on Commerce, Trade and Consumer Protection - Hearing - June 24, 2009

http://energycommerce.house.gov/index.php?option=com_content&view=article&id=1692:joint-subcommittee-hearing-on-us-africa-trade-relations-creating-a-platform-for-economic-growth&catid=129:subcommittee-on-commerce-trade-and-consumer-protection&Itemid=70

“Trade with Sub-Saharan Africa offers promise for U.S. investment in numerous industries ranging from investment in infrastructure to financial services. This hearing will explore the many challenges that still exist.”

Mwangi S. Kimenyi

African Growth and Opportunity Act: A Case of Vanishing Benefits

The Brookings Institution – Article – July 30, 2009

http://www.brookings.edu/opinions/2009/0730_agoa_kimenyi.aspx

“Although AGOA is touted as a success story, a careful evaluation reveals that the initiative’s impact has been limited. It is in fact the case that the volume of trade between SSA and the United States has expanded during the life of AGOA. By adding several tariff lines to those covered under the Generalized System of Preferences (GSP), AGOA has provided tangible benefits to African producers who ordinarily operate under relatively small margins... Nevertheless, considering the size of the U.S. market for the various AGOA products, it is evident that the potential benefits have not been exploited to any significant degree.”

U.S.-Africa Trade: Options for Congressional Consideration to Improve Textile and Apparel Sector Competitiveness under the African Growth and Opportunity Act

GAO – Report - August 12, 2009 – 57 pages

<http://www.gao.gov/cgi-bin/getrpt?GAO-09-916>

According to U.S. government officials, sub-Saharan Africa’s (SSA) textile and apparel industry has not achieved the growth anticipated under the African Growth and Opportunity Act (AGOA). Despite the tariff reductions under AGOA, after an initial surge, U.S. imports of these products from beneficiary countries have declined in recent years (see figure)... This report is intended to provide Congress a range of options put forward by experts for (1) possible changes to AGOA or other U.S. trade preference programs and (2) other

measures the U.S. government could take to help increase investment in and improve competitiveness of SSA textile and apparel inputs production.”

DEVELOPMENT

John Williamson

The Impact of the Global Financial Crisis on the Development Agenda

Peterson Institute for International Economics - Presentation to the World Bank Executive Directors - July 7, 2009

<http://www.piie.com/publications/papers/paper.cfm?ResearchID=1260>

“John Williamson discussed six questions for the development agenda posed by the financial crisis. The crisis has underscored the previously recognized dangers of relying too much on export-led growth and on accumulating large external debt. Analysis of the crisis will likely prompt even more developing countries to accumulate large currency reserves as self-insurance in future years, and the international financial system must find a way to accommodate this demand without creating dangerous global imbalances. Finally, the crisis has again demonstrated the need for strong international financial institutions and suggested some ways of improving financial regulation so as to prevent or mitigate future crises.”

The Case for Reform: Foreign Aid and Development in a New Era

Senate Committee on Foreign Relations – Hearing - July 22, 2009

<http://foreign.senate.gov/hearings/2009/hrg090722p.html>

“I have been working with Senator Kerry, Senator Corker, Senator Menendez, and others on a bill that will strengthen USAID. We will introduce this bill soon. The draft bill has received strong initial support from outside groups led by the Modernizing Foreign Assistance Network. Our witnesses today have all received a draft of the bill, and we look forward to their comments on it. The legislation that we have developed promotes capacity, accountability, and transparency in U.S. foreign assistance programs.”

MISCELLANEOUS

Daniel T. Griswold

As Immigrants Move In, Americans Move Up

Cato Institute - Center for Trade Policy Studies – Free Trade Bulletin – July 21, 2009 – 4 pages

<http://www.freetrade.org/pubs/FTBs/FTB-038.pdf>

“Even though the number of legal and illegal immigrants in the United States has risen strongly since the early 1990s, the size of the economic underclass has not. In fact, by several measures the number of Americans living on the bottom rungs of the economic ladder has been in a long-term decline, even as the number of immigrants continues to climb. Other indicators associated with the underclass, such as the crime rate, have also shown improvement. The inflow of low-skilled immigrants may even be playing a positive role in pushing nativeborn Americans up the skills and income ladder.”

Kevin Carey and Erin Dillon

Drowning in Debt: The Emerging Student Loan Crisis

Education Sector - July 9, 2009

http://www.educationsector.org/analysis/analysis_show.htm?doc_id=964333

Higher education has never been more expensive. The price of attending a public university doubled, after inflation, over the last two decades, and family income and student financial aid haven’t kept pace.¹ As a result, students have no choice but to borrow, and more college students are borrowing more money than ever

before. The report shows an analysis of federal financial aid records revealing more than just surging debt levels. Students are taking on more of the riskiest debt: unregulated private student loans.

Highlights of Foundation Yearbook

Foundation Center - July 2009 – 4 pages

http://foundationcenter.org/gainknowledge/research/pdf/fy2009_highlights.pdf

The report covers more than 75,000 grantmaking foundations active in 2007. It documents changes in the actual number, giving, and assets of all active U.S. foundations from 1975 through 2007 and provides estimates of foundation giving through 2008. The report provides an overview of the state of foundation giving in the current year and beyond, comparisons of foundation activities by foundation size, and breakdowns of foundation resources by geographic location and grantmaker type.